

Dear Chairman Martin:

On behalf of the National Rural Health Association (NRHA), I appreciate the opportunity to submit the following comments in response to FCC Docket 2-60, relating to improving the rural health support mechanism of the Universal Services Fund (USF).

The NRHA is an 8000 member national nonprofit organization that provides leadership on rural health issues. The association's mission is to improve the health and well-being of rural Americans and to provide leadership on rural health issues through grassroots advocacy, communications, education and research. The membership of the NRHA is a diverse collection of individuals and organizations, all of whom share the common bond of an interest in rural health. Individual members come from all parts of the rural health landscape. We are community leaders, hospital and rural health clinic administrators, physicians, nurses, dentists, health planners, researchers and educators. Organizational and supporting members include hospitals, community and migrant health centers, state rural health offices and university programs.

Technological advances are rapidly changing and are quickly becoming an integral factor in the delivery of quality health care in rural areas. It is critical improvements are made to the USF so that it better meets the need of the rural health systems. The fact that only \$25 million of the \$400 million allocated thus from universal service funds have been spent indicates structural problems in the program, not a lack of need in rural America. In this regard, I will focus my comments on the three primary areas of concern the FCC noted in its order: Support for Internet access, mobile rural health providers, and infrastructure.

1. Internet Access.

In the 2003 rulemaking, the FCC changed the formula for support so that 25 percent of an Internet connection's total costs can now be recovered using Universal Service support. However, despite this support, there has been little growth in the program. While the support for initial connectivity is appreciated, we have found, with the Internet being such a vital piece of every day communications, health care providers are likely to connect to the most basic Internet service with or without a subsidy. However, this usually entails dial-up or another slow-speed service.

Internet subsidy support may be most effective in assisting rural providers in obtaining the higher speed connectivity increasingly becoming available in rural areas. DSL, while certainly not universal, is more available than ever before. Many rural health providers who have access to DSL obtain the basic service. However, the real benefit of the Internet comes from higher speeds, which are sometimes available in rural communities, but often times not due to a lack of the appropriate infrastructure.

With higher speeds and higher bandwidths, rural health providers can use the Internet in a more comprehensive way, such as using video streaming for educational events. Higher speeds are also more efficient for business practice. Technology used in telemedicine is rapidly evolving. As technologies advance and the uses of technology expand, a faster connectivity speed is essential in providing increased access to quality healthcare to rural Americans. We believe universal service funds

should be used to help offset the costs of obtaining higher Internet speeds. Therefore, we recommend the FCC provide reimbursement for 100 percent of the cost of the difference between dial-up internet service and highest speed internet service. This will encourage rural health providers to take advantage of this technology.

2. Support for Mobile Rural Health Providers.

To combat many of the distance and geographic barriers inherent in rural areas, health care services are becoming more mobile. Therefore, it is appropriate to examine USF support for mobile rural health providers. We urge the FCC to maintain as much flexibility in this area as possible. Mobile telecommunication technology is rapidly progressing. As technologies are enhanced, mobile health care applications are also expanding. As we know technology changes often outpace the regulatory process, maximum flexibility is required so that mobile rural healthcare providers receive benefit from the USF program for any type of telecommunications services utilized in the delivery of service.

We also note, in many cases, the financial burden on a mobile health provider is not with maintaining a telecommunications system, but in starting one. Start-up costs are often prohibitively more costly than the cost of providing ongoing services once established. Therefore, recognizing the legal limitations under which the FCC must operate, we further recommend the FCC reimburse for start-up costs associated with purchasing of telecommunication equipment for mobile rural health providers.

3. Support for Infrastructure Development.

We are very pleased the FCC is seeking comments in this area. Those of us living and working in rural communities have long recognized without sufficient access to infrastructure, we would not be able to receive access to the benefits of advanced technology. The "last-mile" issue is still a barrier to many rural health providers receiving access to technology.

We strongly encourage the FCC to make universal service funds available to support the installation and operation of infrastructure to support broadband services in rural communities. Without investment in "last-mile" technologies, rural communities and their rural health providers will continue to lag behind in using technologies to support health care services. We note that under the E-rate program, schools and libraries are permitted to receive USF funds for infrastructure development. The E-rate program should be applied equally to rural health providers.

In addition, the USF should expand the definition of eligible providers who can participate and be considered as lead entities to develop infrastructure in a rural community. In some rural communities, the city or county may own the fiber or telephone company and does not operate with traditional telephone company providers. Also, the rules need to be broadened to receive subsidy for a variety of technologies, like fiber, regardless of the companies carrying the technology.

To support the ongoing costs for laying lines, a network of organizations who share a common mission of providing healthcare should

be able to participate in the delivery of new infrastructure. Likewise, the USF should promote partnerships between non-profit, public agencies, such as rural health care providers, schools, local governments, state governments and other public entities, who share in the mission of providing needed services to rural communities. The USF should also provide funding to cover the cost of the public/private partnerships to conduct and develop a plan for designing the infrastructure in rural communities. Current regulations are a deterrent to such partnerships. To aid in building the proper telecommunications infrastructure in rural areas, arrangements that allow entities to share technology and associated costs should be encouraged.

4. Definition of "rural". While not a specific part of this Notice, we would like to provide some feedback on the implementation of the FCC's new definition of rural, as outlined in the December, 2004, rulemaking. First of all, the FCC is to be commended for moving toward a more flexible, nuanced approach to defining rural.

We appreciate the complexity of this rural definition and are thankful for the three-year grace period afforded by the FCC to further refine the definition. As you may be aware, even the smallest change in definition could potentially have a large impact on rural health providers. Therefore, we encourage the FCC to continue to request comments from the field regarding the impact of the rural definition. We further recommend the FCC reopen and obtain new comments on this issue after an impact study of the program has been completed over the next two years.

Thank you for the opportunity to comment on this important program. We look forward to working with the FCC to ensure the USF better meets the needs of the rural healthcare system. Should you have any questions regarding these comments, please feel free to contact the NRHA's government affairs office at (703) 519-7910.